02/17 1507 DEVELOPMENT: SWEDEN ENLARGES ITS AID PACKAGE TO ...

STOCKHOLM, (Feb. 16) IPS - Sweden's Social Democratic government today announced an enlarged aid package to eastern Europe and Russia. The move, which observers say symbolizes the growing priority of aid to Sweden's "near abroad", at the partial expense of developing countries in the south, envisages $5.5 billion of assistance to eastern European countries and Russia over the next three years.

Some $5.5 billion has already been paid out in the five years since 1990. Foreign Aid Minister Pierre Schori said the money would go primarily to the three Baltic states Estonia, Latvia and Lithuania as well as Russia and Poland.

He explained that Sweden had a paramount strategic interest in east European stability and was determined to promote development and the reform process across the region. "Development in the former Soviet bloc is of vital importance for the future of Sweden and the whole of Europe," he said. "The program is an important part of Swedish foreign and security policy."

The Social Democrats heavily criticized assistance to eastern Europe on grounds of bureaucracy and poor direction during their period of opposition between 1991 and 1994. Referring to previous criticism, Schori pledged that the new cooperation would be effective, carefully monitored and well-directed.

The overall aim would be to promote regional security, development of a democratic culture, a socially sustainable economic development and environmentally sound policies.

Schori said aid to the region from Western countries had concentrated heavily on industrial considerations and macro-economics. The time had come, he asserted, to introduce a social dimension.

"Women, in particular, are especially vulnerable during the current reform process, and we, therefore, want to highlight the question of equality," Schori said, adding that Sweden would support women's involvement in community development.

For the first time in the history of Swedish foreign aid, funds will be made available to political parties as part of Sweden's support for democratization. Assistance to non-governmental organizations is to be almost doubled.

High on the agenda will be projects to fight organized crime, which is expanding rapidly in Russia and the Baltic states and which is a prime deterrent to foreign companies otherwise eager to start operating there.

Smuggling of refugees and of radioactive material will also be targeted. Money will be set aside for projects to strengthen police forces and customs authorities as well as civil defense, coastguard authorities and rescue services.

Another key goal is to tackle environmental degradation, which is a major problem in eastern Europe, and is growing worse. Specific projects will aim to improve safety at the region's many antiquated nuclear installations and fund clean-up work in the Baltic, the world's most polluted sea.